

**COTTONWOOD WATER WORKS, INC.**

**UTILITIES DIVISION  
ANNUAL REPORT**

**YEAR ENDED DECEMBER 31, 2000**

**Dennis, Schmich & Co., Ltd.**

Certified Public Accountants

Member of the AICPA Private Companies Practice Section

**Telephone (602) 265-5900**

3839 North Third Street Suite 305

Phoenix, Arizona 85012

The Board of Directors  
Cottonwood Water Works, Inc.  
Cottonwood, Arizona

We have compiled the balance sheets and statements of income and expense of Cottonwood Waterworks, Inc. as of December 31, 2000 and 1999, and for the years then ended included in the accompanying prescribed form of Utilities Division Annual Report of Cottonwood Water Works, Inc. in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants. We have also compiled the supplementary information on pages 3 through 6 and pages 13 through 17.

Our compilation was limited to presenting in the form prescribed by the Arizona Corporation Commission, information that is the representation of management. We have not audited or reviewed the financial statements and supplementary information referred to above and, accordingly, do not express an opinion or any other form of assurance on them.

These financial statements and supplemental information are presented in accordance with the requirements of the Arizona Corporation Commission, which differ from generally accepted accounting principles. Accordingly, these financial statements are not designed for those who are not informed about such differences.

The supplementary information on pages 10 through 12 contained in the accompanying prescribed form has not been audited, reviewed or compiled by us and, accordingly, we assume no responsibility for that information.

March 22, 2001

*Dennis, Schmich & Co., Ltd.*

4/17/01 assessment db updated. cm

4-17-01  
cm

**ARIZONA CORPORATION COMMISSION**  
**UTILITIES DIVISION**



**ANNUAL REPORT MAILING LABEL – MAKE CHANGES AS NECESSARY**



W-01045A  
COTTONWOOD WATER WORKS, INC.  
1042 N MAIN  
COTTONWOOD AZ 86326

**ANNUAL REPORT**

**FOR YEAR ENDING**

<b>12</b>	<b>31</b>	<b>2000</b>
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**FOR COMMISSION USE**

ANN 04	00
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## COMPANY INFORMATION

<b>Company Name (Business Name)</b> <u>Cottonwood Waterworks, Inc.</u>		
<b>Mailing Address</b> <u>1042 N. Main Street</u> (Street)		
<u>Cottonwood</u> (City)	<u>AZ</u> (State)	<u>86326</u> (Zip)
<u>(520) 634-5559</u> Telephone No. (Include Area Code)	<u>(520) 634-5962</u> Fax No. (Include Area Code)	 Pager/Cell No. (Include Area Code)
<b>Email address</b> <u>cww@sedona.net</u>		
<b>Local Office Mailing Address</b> <u>same as above</u> (Street)		
 (City)	 (State)	 (Zip)
 Local Office Telephone No. (Include Area Code)	 Fax No. (Include Area Code)	 Pager/Cell No. (Include Area Code)
<b>Email Address</b> _____		

## MANAGEMENT INFORMATION

<b>Management Contact:</b> <u>Charles D. Garrison</u> (Name)		<u>President</u> (Title)	
<u>1042 N. Main Street</u> (Street)	<u>Phoenix</u> (City)	<u>AZ</u> (State)	<u>86326</u> (Zip)
<u>(520) 634-5559</u> Telephone No. (Include Area Code)	<u>(520) 634-5962</u> Fax No. (Include Area Code)	 Pager/Cell No. (Include Area Code)	
<b>Email Address</b> <u>cww@sedona.net</u>			
<b>On Site Manager:</b> <u>Same as above</u> (Name)			
 (Street)	 (City)	 (State)	 (Zip)
 Telephone No. (Include Area Code)	 Fax No. (Include Area Code)	 Pager/Cell No. (Include Area Code)	
<b>Email Address</b> _____			

**Statutory Agent:** Charles D. Garrison  
(Name)

1042 N. Main Street Cottonwood Arizona 86326  
(Street) (City) (State) (Zip)

(520) 634-5559 (520)-634-5962  
Telephone No. (Include Area Code) Fax No. (Include Area Code) Pager/Cell No. (Include Area Code)

**Attorney:** Richard L. Sallquist  
(Name)

2525 E. Arizona Biltmore Circle, Suite 117 Phoenix Arizona 85016  
(Street) (City) (State) (Zip)  
(602) 224-9222 (602) 224-9366

Telephone No. (Include Area Code) Fax No. (Include Area Code) Pager/Cell No. (Include Area Code)

### **OWNERSHIP INFORMATION**

Check the following box that applies to your company:

- |   |  |
|---|--|
| <input type="checkbox"/> Sole Proprietor (S)    | <input checked="" type="checkbox"/> C Corporation (C) (Other than Association/Co-op) |
| <input type="checkbox"/> Partnership (P)        | <input type="checkbox"/> Subchapter S Corporation (Z)                                |
| <input type="checkbox"/> Bankruptcy (B)         | <input type="checkbox"/> Association/Co op (A)                                       |
| <input type="checkbox"/> Receivership (R)       | <input type="checkbox"/> Limited Liability Company                                   |
| <input type="checkbox"/> Other (Describe) _____ |  |

### **COUNTIES SERVED**

Check the box below for the county/ies in which you are certificated to provide service:

- |                                     |   |                                   |
|-------------------------------------|---|-----------------------------------|
| <input type="checkbox"/> APACHE     | <input type="checkbox"/> COCHISE            | <input type="checkbox"/> COCONINO |
| <input type="checkbox"/> GILA       | <input type="checkbox"/> GRAHAM             | <input type="checkbox"/> GREENLEE |
| <input type="checkbox"/> LA PAZ     | <input type="checkbox"/> MARICOPA           | <input type="checkbox"/> MOHAVE   |
| <input type="checkbox"/> NAVAJO     | <input type="checkbox"/> PIMA               | <input type="checkbox"/> PINAL    |
| <input type="checkbox"/> SANTA CRUZ | <input checked="" type="checkbox"/> YAVAPAI | <input type="checkbox"/> YUMA     |
| <input type="checkbox"/> STATEWIDE  |   |                                   |

**UTILITY PLANT IN SERVICE**

Acct. No.	DESCRIPTION	Original Cost (OC)	Accumulated Depreciation (AD)	O.C.L.D. (OC less AD)
301	Organization	\$ 3,343	\$ 805	\$ 2,538
302	Franchises	5,077		5,077
303	Land and Land Rights	48,467		48,467
304	Structures and Improvements	134,127	91,353	42,774
307	Wells and Springs	255,197	50,766	204,431
311	Pumping Equipment	348,641	94,691	253,950
320	Water Treatment Equipment	15,717	7,118	8,599
330	Distribution Reservoirs and Standpipes	666,487	139,846	526,641
331	Transmission and Distribution Mains	4,427,285	1,135,512	3,291,773
333	Services	347,793	114,430	233,363
334	Meters and Meter Installations	672,933	305,459	367,474
335	Hydrants	378,995	65,724	313,271
336	Backflow Prevention Devices			
339	Other Plant and Misc. Equipment			
340	Office Furniture and Equipment	66,341	47,675	18,666
341	Transportation Equipment	101,140	86,548	14,592
343	Tools, Shop and Garage Equipment	44,344	39,133	5,211
344	Laboratory Equipment			
345	Power Operated Equipment			
346	Communication Equipment	10,375	8,749	1,626
347	Miscellaneous Equipment			
348	Other Tangible Plant			
	<b>TOTALS</b>	<b>\$ 7,526,262</b>	<b>\$ 2,187,809</b>	<b>\$ 5,338,453</b>

This amount goes on the Balance Sheet Acct. No. 108 

**CALCULATION OF DEPRECIATION EXPENSE FOR CURRENT YEAR**

Acct. No.	DESCRIPTION	Original Cost (1)	Depreciation Percentage* (2)	Depreciation Expense (1x2)
301	Organization	\$ 3,343	20.0%	\$
302	Franchises	5,077	0.0%	
303	Land and Land Rights	48,467	0.0%	
304	Structures and Improvements	134,127	4.0%	5,230
307	Wells and Springs	255,197	3.1%	6,077
311	Pumping Equipment	348,641	2.4%	10,512
320	Water Treatment Equipment	15,717	5.0%	557
330	Distribution Reservoirs and Standpipes	666,487	4.0%	12,162
331	Transmission and Distribution Mains	4,427,285	2.8%	112,881
333	Services	347,793	3.3%	10,779
334	Meters and Meter Installations	672,933	3.4%	23,068
335	Hydrants	378,995	4.0%	7,320
336	Backflow Prevention Devices			
339	Other Plant and Misc. Equipment			
340	Office Furniture and Equipment	66,341	14.0%	8,673
341	Transportation Equipment	101,140	20.0%	9,544
343	Tools, Shop and Garage Equipment	44,344	7.7%	1,636
344	Laboratory Equipment			
345	Power Operated Equipment			
346	Communication Equipment	10,375	7.7%	532
347	Miscellaneous Equipment			
348	Other Tangible Plant			
	<b>TOTALS</b>	<b>\$ 7,526,262</b>		<b>\$ 208,971</b>

This amount goes on Comparative Statement of Income and Expense Acct. No. 403.

\*Depreciation expense % calculated on an average of allowable rates for asset category

**BALANCE SHEET**

Acct. No.		BALANCE AT BEGINNING OF YEAR	BALANCE AT END OF YEAR
	<b>ASSETS</b>		
	<b>CURRENT AND ACCRUED ASSETS</b>		
131	Cash	\$ 9,792	\$ 952
134	Working Funds		
135	Temporary Cash Investments	589,640	460,301
141	Customer Accounts Receivable	109,686	102,531
146	Notes/Receivables from Associated Companies		
151	Plant Material and Supplies		
162	Prepayments	3,615	31,430
174	Miscellaneous Current and Accrued Assets	21,081	21,465
	<b>TOTAL CURRENT AND ACCRUED ASSETS</b>	\$ 733,814	\$ 616,679
	<b>FIXED ASSETS</b>		
101	Utility Plant in Service	\$ 6,959,858	\$ 7,526,262
103	Property Held for Future Use		
105	Construction Work in Progress		
108	Accumulated Depreciation – Utility Plant	(1,986,822)	(2,187,809)
121	Non-Utility Property	23,334	23,334
122	Accumulated Depreciation – Non Utility		
	<b>TOTAL FIXED ASSETS</b>	\$ 4,996,370	\$ 5,361,787
	<b>TOTAL ASSETS</b>	\$ 5,730,184	\$ 5,978,466

**NOTE:** The Assets on this page should be equal to **Total Liabilities and Capital** on the following page.



**BALANCE SHEET (CONTINUED)**

Acct. No.		BALANCE AT BEGINNING OF YEAR	BALANCE AT END OF YEAR
	<b>LIABILITIES</b>		
	<b>CURRENT LIABILITIES</b>		
231	Accounts Payable	\$ 2,763	\$ 3,506
232	Notes Payable (Current Portion)		
234	Notes/Accounts Payable to Associated Companies		
235	Customer Deposits	60,479	61,630
236	Accrued Taxes	67,566	35,801
237	Accrued Interest		
241	Miscellaneous Current and Accrued Liabilities	53,454	54,059
	<b>TOTAL CURRENT LIABILITIES</b>	\$ 184,262	\$ 154,996
	<b>LONG-TERM DEBT (Over 12 Months)</b>		
224	Long-Term Notes and Bonds	\$	\$
	<b>DEFERRED CREDITS</b>		
251	Unamortized Premium on Debt	\$	\$
252	Advances in Aid of Construction	2,602,701	2,700,060
255	Accumulated Deferred Investment Tax Credits		
271	Contributions in Aid of Construction	524,915	652,028
272	Less: Amortization of Contributions		
281	Accumulated Deferred Income Tax	368,944	329,600
	<b>TOTAL DEFERRED CREDITS</b>	\$ 3,496,560	\$ 3,681,688
	<b>TOTAL LIABILITIES</b>	\$ 3,680,822	\$ 3,836,684
	<b>CAPITAL ACCOUNTS</b>		
201	Common Stock Issued	\$ 269,100	\$ 269,100
211	Paid in Capital in Excess of Par Value	77,000	77,000
215	Retained Earnings	1,703,262	1,795,682
218	Proprietary Capital (Sole Props and Partnerships)		
	<b>TOTAL CAPITAL</b>	\$ 2,049,362	\$ 2,141,782
	<b>TOTAL LIABILITIES AND CAPITAL</b>	\$ 5,730,184	\$ 5,978,466

**COMPARATIVE STATEMENT OF INCOME AND EXPENSE***See attached statement page 9a*

Acct. No.	OPERATING REVENUES	PRIOR YEAR	CURRENT YEAR
461	Metered Water Revenue	\$	\$
460	Unmetered Water Revenue		
474	Other Water Revenues		
	<b>TOTAL REVENUES</b>	\$	\$
	<b>OPERATING EXPENSES</b>		
601	Salaries and Wages	\$	\$
610	Purchased Water		
615	Purchased Power		
618	Chemicals		
620	Repairs and Maintenance		
621	Office Supplies and Expense		
630	Outside Services		
635	Water Testing		
641	Rents		
650	Transportation Expenses		
657	Insurance – General Liability		
659	Insurance - Health and Life		
666	Regulatory Commission Expense – Rate Case		
675	Miscellaneous Expense		
403	Depreciation Expense		
408	Taxes Other Than Income		
408.11	Property Taxes		
409	Income Tax		
	<b>TOTAL OPERATING EXPENSES</b>	\$	\$
	<b>OTHER INCOME/EXPENSE</b>		
419	Interest and Dividend Income	\$	\$
421	Non-Utility Income		
426	Miscellaneous Non-Utility Expenses		
427	Interest Expense		
	<b>TOTAL OTHER INCOME/EXP</b>	\$	\$
	<b>NET INCOME/(LOSS)</b>	\$	\$

COTTONWOOD WATERWORKS, INC.

COMPARATIVE STATEMENT OF INCOME AND EXPENSE

(Attachment to Page 9)

	<u>PRIOR YEAR</u>	<u>CURRENT YEAR</u>
<b>OPERATING REVENUES:</b>		
<b>Metered sales:</b>		
Residential sales	\$ 952,091	\$ 1,038,825
Commercial sales	96,928	98,495
Industrial sales	1,027	-
<b>Total metered sales</b>	<u>1,050,046</u>	<u>1,137,320</u>
<b>Other water revenue:</b>		
Private fire protection service	15,815	19,244
Sales to public authorities	1,934	526
<b>Total other water revenue</b>	<u>17,749</u>	<u>19,770</u>
<b>Other miscellaneous revenues:</b>		
Sales for resale	916	1,493
Other operating revenues	34,798	679
<b>Total other miscellaneous revenues</b>	<u>35,714</u>	<u>2,172</u>
<b>TOTAL OPERATING REVENUES</b>	<u>1,103,509</u>	<u>1,159,262</u>
<b>OPERATIONS EXPENSES:</b>		
<b>Operation expenses:</b>		
Pumping expenses	131,950	143,425
Water treatment expenses	17,915	19,795
Transmission and distribution expenses	71,411	50,872
Customer accounts expenses	84,715	81,418
Administrative and general expenses	330,101	377,255
<b>Total operation expenses</b>	<u>636,092</u>	<u>672,765</u>
<b>MAINTENANCE EXPENSES:</b>		
Pumping expenses	10,378	6,377
Transmission and distribution expenses	29,620	50,050
Administrative and general expenses	2,349	10,151
<b>Total maintenance expenses</b>	<u>42,347</u>	<u>66,578</u>
<b>DEPRECIATION</b>	192,436	208,971
<b>PROPERTY TAXES</b>	64,170	66,000
<b>INCOME TAX</b>	74,460	53,798
<b>TAXES OTHER THAN PROPERTY &amp; INCOME</b>	28,712	31,320
<b>PROVISION FOR DEFERRED INCOME TAXES</b>	<u>(53,570)</u>	<u>(39,344)</u>
<b>TOTAL OPERATIONS EXPENSES</b>	<u>984,647</u>	<u>1,060,088</u>
<b>INCOME FROM OPERATIONS</b>	118,862	99,174
<b>OTHER INCOME (EXPENSE):</b>		
Interest income	53,408	31,054
Interest expense	(2,451)	(4,170)
<b>Total other income</b>	<u>50,957</u>	<u>26,884</u>
<b>NET INCOME</b>	<u>\$ 169,819</u>	<u>\$ 126,058</u>

See accountant's compilation report.

COMPANY NAME

Cottonwood Waterworks, Inc.

**SUPPLEMENTAL FINANCIAL DATA****Long-Term Debt**

	<b>LOAN #1</b>	<b>LOAN #2</b>	<b>LOAN #3</b>	<b>LOAN #4</b>
Date Issued				
Source of Loan				
ACC Decision No.				
Reason for Loan				
Dollar Amount Issued	\$	\$	\$	\$
Amount Outstanding	\$	\$	\$	\$
Date of Maturity				
Interest Rate				
Current Year Interest	\$	\$	\$	\$
Current Year Principle	\$	\$	\$	\$

Meter Deposit Balance at Year End

\$ 2,965

Meter Deposits Refunded During the Year

\$ 952

See accountant's compilation report.

COMPANY NAME

Cottonwood Waterworks, Inc.

**WATER COMPANY PLANT DESCRIPTION****WELLS**

ADWR ID Number	Pump Horsepower	Pump Yield (Gpm)	Casing Size (inches)	Meter Size (inches)
55-609080	15	150	7	3
55-609079	20	180	7	3
55-609078	75	280	12-18	4
55-609076	5	45	5	2
55-609075	60	240	10	3
55-609074	30	180	10	3

**OTHER WATER SOURCES**

Name or Description	Capacity (gpm)	Gallons Purchased or Obtained (in thousands)
Hasicell Spring (Intermittent)	Various	None

**TOTAL GALLONS PUMPED (NOT SOLD) THIS YEAR (thous.) =** 655,421,000

BOOSTER PUMPS		FIRE HYDRANTS	
Horsepower	Quantity	Quantity Standard	Quantity Other
10	5		
25	2		
60	1		

STORAGE TANKS		PRESSURE TANKS	
Capacity	Quantity	Capacity	Quantity
10,000	1	5,000	2
12,500	1	8,000	2
32,000	1	10,000	1
100,000	1		

See accountant's compilation report.

**COMPANY NAME**      **Cottonwood Waterworks, Inc.**

**WATER COMPANY PLANT DESCRIPTION**

**WELLS**

<b>ADWR ID Number</b>	<b>Pump Horsepower</b>	<b>Pump Yield (Gpm)</b>	<b>Casing Size (inches)</b>	<b>Meter Size (inches)</b>
55-530748	60	320	10 & 12	6
55-609073	30	100	10	6
55-609072	40	130	8	4
55-503444	75	620	14	6
55-550414	150	680	12 & 16	6
55-609071	inactive			

**OTHER WATER SOURCES**

<b>Name or Description</b>	<b>Capacity (gpm)</b>	<b>Gallons Purchased or Obtained (in thousands)</b>

**TOTAL GALLONS PUMPED (NOT SOLD) THIS YEAR (thous.) = \_\_\_\_\_**

<b>BOOSTER PUMPS</b>		<b>FIRE HYDRANTS</b>	
<b>Horsepower</b>	<b>Quantity</b>	<b>Quantity Standard</b>	<b>Quantity Other</b>

<b>STORAGE TANKS</b>		<b>PRESSURE TANKS</b>	
<b>Capacity</b>	<b>Quantity</b>	<b>Capacity</b>	<b>Quantity</b>
500,000	1		
550,000	1		
750,000	1		
1,000,000	1		

## STATISTICAL INFORMATION

Total number of customers 4,162

Total number of gallons sold 611,632,000 gallons

COMPANY NAME Cottonwood Waterworks, Inc. YEAR ENDING 12/31/2000

**PROPERTY TAXES**

Amount of actual property taxes paid during Calendar Year 2000 was: \$ 65,090

Attach to this annual report proof (e.g. property tax bills stamped "paid in full" or copies of cancelled checks for property tax payments) of any and all property taxes paid during the calendar year.

If no property taxes paid, explain why. \_\_\_\_\_

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**COMPANY NAME** Cottonwood Waterworks, Inc. **YEAR ENDING 12/31/2000**

**INCOME TAXES**

For this reporting period, provide the following:

Federal Taxable Income Reported \$132,801  
Estimated or Actual Federal Tax Liability 35,042

State Taxable Income Reported \$144,299  
Estimated or Actual State Tax Liability 11,498

Amount of Grossed-Up Contributions/Advances:

Amount of Contributions/Advances \$375,658  
Amount of Gross-Up Tax Collected \_\_\_\_\_  
Total Grossed-Up Contributions/Advances \$375,658

Decision No. 55774 states, in part, that the utility will refund any excess gross-up funds collected at the close of the tax year when tax returns are completed. Pursuant to this Decision, if gross-up tax refunds are due to any Payer or if any gross-up tax refunds have already been made, attach the following information by Payer: name and amount of contribution/advance, the amount of gross-up tax collected, the amount of refund due to each Payer, and the date the Utility expects to make or has made the refund to the Payer.

**CERTIFICATION**

The undersigned hereby certifies that the Utility has refunded to Payers all gross-up tax refunds reported in the prior year's annual report. This certification is to be signed by the President or Chief Executive Officer, if a corporation; the managing general partner, if a partnership; the managing member, if a limited liability company or the sole proprietor, if a sole proprietorship.

\_\_\_\_\_  
**SIGNATURE**

\_\_\_\_\_  
**DATE**

\_\_\_\_\_  
**PRINTED NAME**

\_\_\_\_\_  
**TITLE**

COMPANY NAME Cottonwood Waterworks, Inc. YEAR ENDING 12/31/2000

**WATER AND SEWER  
UTILITIES ONLY**

**PROPERTY TAXES**

Indicate the amount of actual property taxes paid during this reporting period (Calendar Year 2000)

\$ 65,090

Attach to this annual report proof (e.g. property tax bills stamped "paid in full" or copies of cancelled Checks for property tax payments) of any and all property taxes paid during the calendar year.

If no property taxes paid, explain reasons below:

**VERIFICATION  
AND  
SWORN STATEMENT  
Intrastate Revenues Only**

**VERIFICATION**

STATE OF Arizona

I, THE UNDERSIGNED

OF THE

COUNTY OF (COUNTY NAME)	Yavapai
NAME (OWNER OR OFFICIAL) TITLE	Charles D. Garrison, President
COMPANY NAME	Cottonwood Waterworks, Inc.

**DO SAY THAT THIS ANNUAL UTILITY REPORT TO THE ARIZONA COPORATION COMMISSION**

**FOR THE YEAR ENDING**

MONTH	DAY	YEAR
12	31	2000

HAS BEEN PREPARED UNDER MY DIRECTION, FROM THE ORIGINAL BOOKS, PAPERS AND RECORDS OF SAID UTILITY; THAT I HAVE CAREFULLY EXAMINED THE SAME, AND DECLARE THE SAME TO BE A COMPLETE AND CORRECT STATEMENT OF BUSINESS AND AFFAIRS OF SAID UTILITY FOR THE PERIOD COVERED BY THIS REPORT IN RESPECT TO EACH AND EVERY MATTER AND THING SET FORTH, TO THE BEST OF MY KNOWLEDGE, INFORMATION AND BELIEF.

**SWORN STATEMENT**

IN ACCORDANCE WITH THE REQUIREMENT OF TITLE 40, ARTICLE 8, SECTION 40-401, ARIZONA REVISED STATUTES, IT IS HEREIN REPORTED THAT THE GROSS OPERATING REVENUE OF SAID UTILITY DERIVED FROM ARIZONA INTRASTATE UTILITY OPERATIONS DURING CALENDAR YEAR 2000 WAS:

Arizona IntraState Gross Operating Revenues Only (\$)

\$ 1,276,165

(THE AMOUNT IN BOX ABOVE  
INCLUDES \$ 85,848  
IN SALES TAXES BILLED, OR COLLECTED

**\*\*REVENUE REPORTED ON THIS PAGE MUST INCLUDE SALES TAXES BILLED OR COLLECTED. IF FOR ANY OTHER REASON, THE REVENUE REPORTED ABOVE DOES NOT AGREE WITH TOTAL OPERATING REVENUES ELSEWHERE REPORTED, ATTACH THOSE STATEMENTS THAT RECONCILE THE DIFFERENCE. (EXPLAIN IN DETAIL)**

Charles D. Garrison  
SIGNATURE OF OWNER OR OFFICIAL  
520-634-5559  
TELEPHONE NUMBER

SUBSCRIBED AND SWORN TO BEFORE ME

A NOTARY PUBLIC IN AND FOR THE COUNTY OF

THIS

10th

DAY OF

COUNTY NAME	Yavapai	
MONTH	April	2001

Martha A. Grimes  
SIGNATURE OF NOTARY PUBLIC

MY COMMISSION EXPIRES

(SEAL) OFFICIAL SEAL  
MARTHA A. GRIMES  
NOTARY PUBLIC - ARIZONA  
YAVAPAI COUNTY  
My Comm. Expires Jan. 25, 2002

**VERIFICATION  
AND  
SWORN STATEMENT  
RESIDENTIAL REVENUE  
INTRASTATE REVENUES ONLY**

**VERIFICATION**

**STATE OF ARIZONA**

**I, THE UNDERSIGNED  
OF THE**

(COUNTY NAME)	YAVAPAI	
NAME (OWNER OR OFFICIAL)	Charles D. Garrison	Title President
COMPANY NAME	Cottonwood Waterworks, Inc.	

**DO SAY THAT THIS ANNUAL UTILITY REPORT TO THE ARIZONA CORPORATION COMMISSION  
FOR THE YEAR ENDING**

MONTH	DAY	YEAR
12	31	2000

HAS BEEN PREPARED UNDER MY DIRECTION, FROM THE ORIGINAL BOOKS, PAPERS AND RECORDS OF SAID UTILITY; THAT I HAVE CAREFULLY EXAMINED THE SAME, AND DECLARE THE SAME TO BE A COMPLETE AND CORRECT STATEMENT OF BUSINESS AND AFFAIRS OF SAID UTILITY FOR THE PERIOD COVERED BY THIS REPORT IN RESPECT TO EACH AND EVERY MATTER AND THING SET FORTH, TO THE BEST OF MY KNOWLEDGE, INFORMATION AND BELIEF.

**SWORN STATEMENT**

**IN ACCORDANCE WITH THE REQUIREMENTS OF TITLE 40, ARTICLE 8, SECTION 40-401.01, ARIZONA REVISED STATUTES, IT IS HEREIN REPORTED THAT THE GROSS OPERATING REVENUE OF SAID UTILITY DERIVED FROM ARIZONA INTRASTATE UTILITY OPERATIONS RECEIVED FROM RESIDENTIAL CUSTOMERS DURING CALENDAR YEAR 2000 WAS:**

ARIZONA INTRASTATE GROSS OPERATING REVENUES

\$ 1,113,856

(THE AMOUNT IN BOX AT LEFT  
INCLUDES \$ 75,031  
IN SALES TAXES BILLED, OR COLLECTED

**\*RESIDENTIAL REVENUE REPORTED ON THIS PAGE  
MUST INCLUDE SALES TAXES BILLED.**

X Charles D. Garrison  
SIGNATURE OF OWNER OR OFFICIAL

**SUBSCRIBED AND SWORN TO BEFORE ME**

**A NOTARY PUBLIC IN AND FOR THE COUNTY OF**

**THIS**

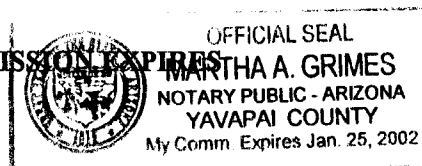
10<sup>th</sup>

**DAY OF**

NOTARY PUBLIC NAME Martha A. Grimes	
COUNTY NAME Yavapai	
MONTH April	.20 01

**(SEAL)**

**MY COMMISSION EXPIRES**



X Martha A. Grimes  
SIGNATURE OF NOTARY PUBLIC

**COTTONWOOD WATER WORKS, INC.**  
1042 N. MAIN  
COTTONWOOD, AZ 86326  
(520) 634-5559

36946

91-504/1221

DATE 10/27/00

PAY TO THE ORDER OF ROSS D. JACOBS - YAVAPAI COUNTY TREASURER \$ 33,005<sup>50</sup>

THIRTY THREE THOUSAND FIVE + <sup>50</sup>/100 DOLLARS

THE STOCKMEN'S BANK  
COTTONWOOD BRANCH, 704 S. MAIN  
COTTONWOOD, ARIZONA 86326

FOR Charles D. Gunion

⑈036946⑈ ⑆122105045⑆ ⑆701000083⑈ ⑈0003300550⑈

00101W  
10090000000

>S40501221K

10312000 YAVAPAI CREDIT TO PAYEE'S ACCT  
21645 0002 ENDORSEMENT GUARANTEED  
20658264 BANK ONE, PHOENIX, AZ  
1221-00024

159730288

DO NOT WRITE STAMP OR SIGN BELOW THIS LINE

ENDORSE HERE

406.29.00208 906.60.3635 906.60.3816 906.60.6309 906.60.6606

**COTTONWOOD WATER WORKS, INC.** 406.23.03515 406.23.03514  
1042 N. MAIN  
COTTONWOOD, AZ 86326  
(520) 634-5559

36214

91-504/1221

DATE 4/26/00

PAY TO THE ORDER OF ROSS JACOBS, YAVAPAI COUNTY TREASURER \$ 32,084<sup>83</sup>

\$32,084.83 DOLLARS

THE STOCKMEN'S BANK  
COTTONWOOD BRANCH, 704 S. MAIN  
COTTONWOOD, ARIZONA 86326

FOR Z<sup>ND</sup> HALF 1999 TAXES Charles D. Gunion

⑈036214⑈ ⑆122105045⑆ ⑆701000083⑈ ⑈0003208483⑈

005050  
00400000211

>S40501221K

THE STOCKMEN'S BANK  
P.O. BOX 3875  
PHOENIX, AZ 85068

MAY 00 00 AM

THE STOCKMEN'S BANK  
P.O. BOX 3875  
PHOENIX, AZ 85068

122100024  
BANK ONE, ARIZONA, N.A.  
PHOENIX, ARIZONA

0235 16394

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FOR DEPOSIT ONLY

00001150

YAVAPAI  
COUNTY  
TREASURER